

1922

Recent changes

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Recommended Citation

Haskins & Sells Bulletin, Vol. 05, no. 05 (1922 May 15), p. 39-40

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times be impersonal and dignified. Outside the presentation, in which case they appear over the firm's signature, the words "you" and "your" should never be used. The excessive use of the pronoun "we" should be avoided. Unusual expressions, foreign words, slang, witticisms, figures of

speech, involved construction, are all out of place in an accountant's report. Ideas clearly thought out, simply and directly expressed, with due regard for the exact meaning of words and the rules of grammatical construction, lend dignity to any composition.

Liability of Directors for Loans to Stockholders

IT is obviously impossible, with the vast number and variety of corporation laws, for the accountant to have in his mind all of the statutes governing corporations in the various states. The outstanding features of corporation law are covered in various text-books which the accountant studies and consults; but investigation in special cases frequently brings to light points which constitute more or less of a surprise, because of the infrequency with which such cases arise in accountancy practice.

The accountant probably overlooks many violations of corporation law because of his inability to give the time necessary to cover all the refinements of such law. It is not to be supposed that he will have all the legal equipment of the lawyer, and he is not charged with such knowledge or experience. When, however, cases involving a fine point of corporation law bring to light certain statutes of particular interest, it seems

worth while to call attention to such passages in the law. The following is quoted from Section 29 of the New York Stock Corporation Law:

"No loans of moneys shall be made by any stock corporation, except a monied corporation, or by any officer thereof out of its funds to any stockholder therein, nor shall any such corporation or officer discount any note or other evidence of debt, or receive the same in payment of any installment or any part thereof due or to become due on any stock in such corporation, or receive or discount any note, or other evidence of debt, to enable any stockholder to withdraw any part of the money paid in by him on his stock. In case of the violation of any provision of this section, the officers or directors making such loan, or assenting thereto, or receiving or discounting such notes or other evidences of debt, shall, jointly and severally, be personally liable to the extent of such loan and interest, for all the debts of the corporation contracted before the repayment of the sum loaned, and to the full amount of the notes or other evidences of debt so received or discounted, with interest from the time such liability accrued."

Recent Changes

We announce the appointment, effective May 1, 1922, of Mr. E. E. Leffler as manager of the Buffalo Office.

Mr. Leffler, who was formerly a member of the New York staff, became attached to the Buffalo Office in June, 1920, at the time of the consolidation of our practice with that of the late Mr. H. S. Champlin

of Buffalo. He is a certified public accountant of New York State and a member of the American Institute of Accountants.

Announcement is made of the withdrawal of Mr. J. D. Brawner as manager of our Philadelphia Office, effective May 1, 1922.

Mr. P. S. Gibson, who since October, 1921, has been associated with Mr. Brawner in the management of the Philadelphia Office, now assumes the title and functions of manager.

We are pleased to note that Mr. F. M. McDonnell, assistant manager of the Los Angeles Office, has received the C.P.A. degree of California as a result of passing the examinations of the American Institute of Accountants in November, 1921.

AT the regional meeting of the American Institute of Accountants held in Cleveland, Ohio, on May 6, 1922, Mr. Wildman read a paper on "Training Young Accountants," which was followed by a discussion of the subject. Mr. Wildman took up the qualifications, mental, technical, and personal, necessary to the professional accountant, and the processes by which these qualifications may be imparted to the young aspirant to the profession through instruction and training and subsequent practical experience. The key-note of his address was struck in the statement that the future success of the accountancy profession in this country depends upon the amount of time, energy, and money which practitioners will be willing to invest in the training of young accountants.

The paper will be published in full in an approaching number of the *Journal of Accountancy*.

Book Review

Szepesi, Eugene. *Cost Control and Accounting for Textile Mills*. (New York, Bragdon, Lord & Nagle Co., 1922. 434 p.)

The reviewer of books on accounting and related subjects is so accustomed to books which deal with generalities that it is something of a relief to find a new book which gets down, so to speak, to brass tacks. The book under review of necessity deals with certain principles and develops certain background before proceeding to the application of principles; but it stands out in the current literature on the subject in that the discussion of principles is steadfastly tied up with textile operations. The treatment of the subject indicates that the writer is a man of practical experience in the textile field and writes from knowledge born of experience therein.

While the book has particular value for those who are interested in textile accounting, it may be read and consulted by those whose interest in cost accounting is general. The detail of the discussion makes it attractive to the seeker of specific information, and the treatment accorded by the author may well serve as an example for other writers to follow.

Chapters 1 to 8 are more or less general, treating of the elements of cost. Chapters 9 to 18 are more specific, the outstanding ones being those which discuss the control accounts of a modern cost control organization and the records and routine of registry in progress of production. The last chapter, discussing cost without red tape, is particularly illuminating, and contains a number of correction tables which facilitate calculations to show variations from standards.

If the price of the book, ten dollars, is thought to be somewhat excessive, a careful perusal of the content will doubtless serve to dispel such idea. The illustrations and tabulations are numerous; the book, as a whole, very satisfactory, both from the point of view of content and treatment of the subject.